



January 9, 2004

Former metals company executive is sentenced for fraud

A federal judge today sentenced **Michael F. Sparfven**, former president of **Anton Noll**, a metals manufacturing company, to 78 months in prison for a series of fraud schemes. Sparfven, 49, defrauded Textron Financial, Inc., out of millions of dollars through a line of credit, defrauded Citizens Bank with worthless checks, and embezzled from a profit sharing plan.

The Office of the United States Attorney, announced the sentence, which U.S. District Court Judge William E. Smith imposed today in U.S. District Court, Providence. Judge Smith also ordered Sparfven to make restitution totaling \$3,889,148 to Textron, Citizens Bank, and two former employees whose profit sharing funds he embezzled.

In October, Sparfven pleaded guilty to wire fraud, money laundering, bank fraud, and embezzling from an employee retirement plan. At the plea hearing, Assistant U.S. Attorney Luis M. Matos said that Sparfven conducted a series of schemes to fraudulently obtain money.

Anton Noll

In August 1977, Anton Noll obtained from Textron Financial, Inc., a \$2.5 million line of credit, which was subsequently increased to \$7.5 million. To obtain financing, Sparfven had to submit invoices identifying goods that Anton Noll had sold. Anton Noll also entered into a "Lockbox Agreement," which required Anton Noll to deposit all the funds it received into a Citizens Bank account that was controlled by Textron Financial.

Assistant U.S. Attorney Matos said that Sparfven fraudulently obtained approximately

\$2,264,000 from Textron by submitting false invoices. Sparfven also deposited \$778,000 of

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Anton Noll's funds into a bank account that he controlled rather than into the lockbox account.

In 1999, when Textron Financial became concerned about the loan agreement, Sparfven illegally transferred \$420,000 of the fraudulently obtained funds into brokerage and bank accounts that were in his name or in the names of his wife or parents.

Worthless checks

In another fraud scheme, Sparfven deposited \$1,821,000 in worthless checks into an Anton Noll account at Citizens Bank and then wrote checks against that account.

Profit Sharing plan

Sparfven also embezzled approximately \$136,000 from the profit sharing plan of Quantum International Group, Inc., a security company that he operated before taking over Anton Noll. In May 2000, Sparfven directed the retirement fund manager to deposit the balance of the profit sharing plan, \$136,730, into a bank account that Sparfven controlled. About \$54,000 of that balance was Sparfven's share of the plan, while the remainder belonged to other former Quantum employees.

Sparfven pleaded guilty to 39 charges: 27 counts of wire fraud, six counts of money laundering, five counts of bank fraud, and one count of embezzling from an employee benefit plan protected by the Employee Retirement Income Security Act (ERISA).

The case resulted from a joint investigation by the **Internal Revenue Service, Criminal Investigations; the Department of Labor, Employee Benefits Security Administration, the Federal Bureau of Investigation, the United States Postal Inspection Service, and the Rhode Island State Police.** Assistant U.S. Attorney Matos prosecuted it, with assistance from Assistant U.S. Attorney Lee H. Vilker.

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